

For investment professionals only.

A guide to MyFolio Sustainable Index

February 2023

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Why invest sustainably?

What does investing mean to you? Is it just about meeting your long-term financial goals – or do you want the money you invest to do more?

Whether it's avoiding funding controversial companies, or supporting firms making a positive impact on the world, demand for sustainable investing is growing. And, there doesn't have to be a trade-off between taking care of your own financial future – and building a better one for everyone else.

Sustainability is maintaining and preserving natural, social and economic resources now, and for generations to come. In essence, it's meeting the current needs of the world's population, without compromising the ability of future generations to meet theirs.

Companies have a huge role to play in building a more sustainable world. Whether it's the products they make, or the services they offer. It involves production processes and supply chains, how firms treat their staff, and the communities where they operate.

For you as an investor, addressing sustainability can also make sense financially. That's because:

- Companies operating responsibly are more likely to avoid behaviours that would damage their reputation and share price.
- AND companies focused on sustainable themes are potentially tapping into growth from new markets.

In this guide, we help you understand the main things to consider when looking for sustainable investments.



What is Sustainable Investing?

There are many different avenues to help make your investments sustainable. Maybe it's investment solutions that avoid potentially harmful investments, or funds that target companies creating sustainable products.

We've listened to our clients and advisers to understand which sustainable goals matter the most to you. And, importantly, which approaches balance being sustainable, with meeting your own personal financial goals. As a result, we've based abrdn MyFolio Sustainable Index around three principles which we believe can help you invest for a better future – both for you and the wider world.



Avoiding harm

Many investors want to avoid certain controversial industries or practices. Sustainable investing can provide a simple path to do that. For example, you can avoid companies that fail to meet the United Nations standards for human rights, labour, the environment and anti-corruption.



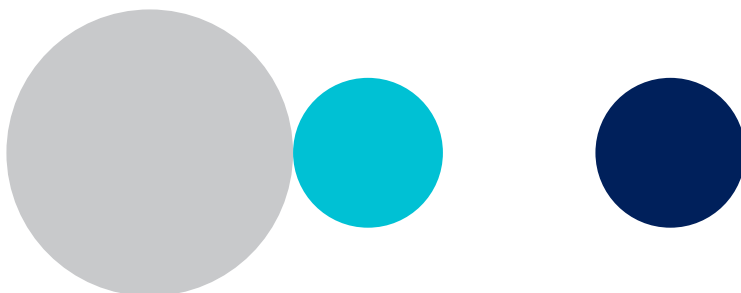
Back better companies

Investing in businesses that operate in a responsible manner – considering their staff, customers and the wider planet.

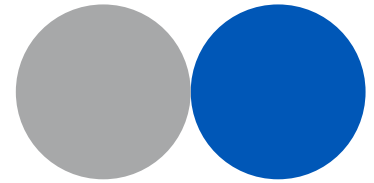


Develop and improve

We can use our influence as investors to encourage the companies we invest in on your behalf to be more responsible. For abrdn MyFolio Sustainable Index it means we use funds whose managers meet and engage with companies to understand how they're run and put pressure on them to change if needed.



MyFolio Sustainable Index does the hard work for you



With so many approaches to sustainable investing, we've made it simpler for you. MyFolio Sustainable Index gives you an easy way to access a carefully blended mix of sustainable investment strategies.

They aim to grow your money sustainably over the long-term and do good (for you and the wider world) while avoiding harm.

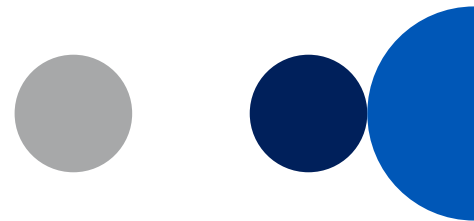
All you need to do is speak to your financial adviser about choosing a risk level you're comfortable with.

abrdn MyFolio Sustainable Index

- Avoids certain controversial investments that may harm people or the planet.
Contributes to sustainable solutions to environmental and social challenges.
Encourages companies to be more responsible and sustainable.
- Uses a broad mix of investments, such as shares and bonds from across the globe, which helps to diversify and reduce risk.
- Offers a choice of five different risk levels, from lower risk to higher risk.



A robust investment process



We aim to achieve the best possible returns for the level of risk you choose.

abrdn MyFolio Sustainable Index offers five clear risk levels, from one – lower risk, to five – higher risk. Our investment experts aim to achieve the best possible returns for the level of risk you've chosen. Remember though that the value of your investments can go down as well as up and isn't guaranteed. You may get back less than you paid in.

We aim to manage the impact of ups and downs and provide smoother long-term returns. To do this, we use different types of growth and defensive investments. Defensive investments are usually seen as less risky, and include assets such as cash and bonds. Meanwhile, growth investments are usually seen as more risky, and include assets like company shares. By combining different types of investments, we believe we can achieve the best possible return for each risk level.

None of the abrdn MyFolio Sustainable Index funds will move out of its risk level. If you select risk level III, which is the medium risk level, this won't become higher risk.



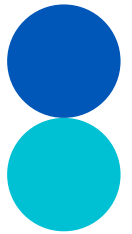
Defensive



Growth



What is ESG?



Environmental, social and governance (ESG) factors are crucial for any responsible investment manager when considering whether to invest in a company.

Environmental

What impact does a company have on the climate, wildlife, the natural environment? Important considerations for managers include how much energy a company uses, the size of its carbon footprint and whether it disposes of its waste responsibly.

Social

Does a company have a good relationship with its employees, suppliers and the local community? Investment managers consider issues such as labour practices, human rights, employee wellbeing, health schemes for staff, and supplier relationships.

Governance

Who runs the company and how are its finances managed? Investment managers will look closely at the issues affecting a company's management and processes, such as how it approaches salaries and strategy.

"We believe that markets and companies which adopt best practices in corporate governance and risk management – including the management of environmental and social risks – are well-placed to deliver sustainable, long-term investment performance."



What does abrdn MyFolio Sustainable Index invest in?

When you invest in abrdn MyFolio Sustainable Index, you're investing in a way that we believe can help you invest for a better future, for you and the wider world. The MyFolio Sustainable Index range invests in funds that help to tackle sustainability issues in several different ways; from avoiding controversial investments, to investing in sustainable solutions to environmental and social problems, to encouraging companies to be more responsible.



Avoid harm

We don't use funds investing in companies with business practices or in industries deemed to be controversial.

That means abrdn MyFolio Sustainable Index limits exposure to companies which:

- Manufacture controversial weapons
- Don't meet UN standards on human rights, labour, environment and anti-corruption (UN Global Compact)
- Produce tobacco
- Produce thermal coal

Exclusions



Back better companies

We use funds which aim to invest more in companies which treat people and the planet well and run their businesses better.

That means abrdn MyFolio Sustainable Index:

- Seeks lower risks around people and the planet
- Can help companies with lower scores to change (see Develop and improve)

Sustainable funds



Develop and improve

We use funds whose managers meet companies to understand how they're run and treat people and the planet - and put pressure on them to change if needed.

This means you can expect managers to:

- Work with companies to drive sustainable business practices
- Raise ESG issues with company bosses
- Vote against policies they think drive the wrong behaviours in companies

Governance and engagement

Who manages MyFolio Sustainable Index



"MyFolio Sustainable Index will closely align with our other low cost proposition, giving customer access to the same risk based approach as MyFolio Index, but with the addition of sustainable features."

Justin Jones
Senior Investment Manager



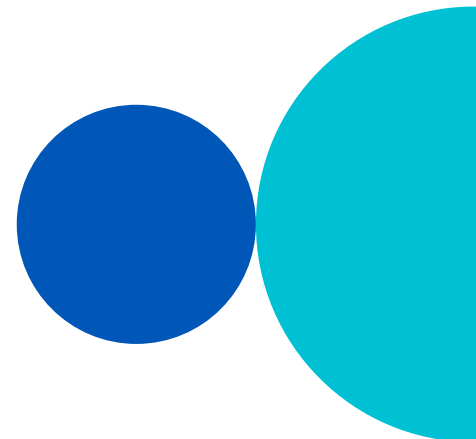
"We want to offer you the ability to invest for an outcome that's right for you, whilst limiting exposure to companies which may do harm to the environment and backing those which treat people and the planet well."

Daniel Reynolds
Investment Manager

It starts with us

At abrdn, our vision for a better future starts with asking more of ourselves. We always look for ways to go further for our clients and customers, be a better and more inclusive employer, to strengthen our governance, and to reduce our impact on the environment.

We've considered ESG factors in our investment decisions since the 1990s. Because we believe it's the right thing to do and because it makes us better investors - helping us identify opportunities and manage risks. We expect high standards of responsibility from the companies and funds we invest in and we're just as serious about how we manage the ESG impacts of our own operations.



Important Information

The value of an investment is not guaranteed and can go down as well as up. An investor may get back less than they invested.

Please consider the below risk factors:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund's price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

Subscriptions for shares in the fund may only be made on the basis of the latest Prospectus and relevant Key Investor Information Document (KIID) which can be obtained free of charge upon request or from **abrdn.com**.

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